

Program Matters

Agenda Item A

SUBJECT: STATE HOSPITAL BED PROGRAM – CORRECT CARE PRESENTATION

ACTION FOR CONSIDERATION:

Approval to proceed with Correct Care MOU for alternatives to state hospital beds.

BACKGROUND AND STATUS:

As previously reported at the June 11, 2015, the State Hospital Bed Committee completed interviews of the three entities having submitted a proposal related to the RFI released in September 2014.

The committee was in full agreement that Correct Care was most qualified with the experience and expertise required to meet the needs of California counties. Prior to the interviews, Correct Care had already visited California several times to research political challenges, do a needs assessment, and develop options for funding. They fully understand they would need to purchase the expertise needed to be successful in this highly regulated state.

Although Correct Care has been identified as the lead entity, there is still a strong desire for collaboration efforts between all three entities in order to be effective throughout the state.

Site Visit – CalMHSA and both the Chair and Vice Chair (Los Angeles and Orange Counties) of the Committee completed site visits at various Correct Care facilities as part of the due diligence plan. A project report and supplemental documents related to the site visits and Correct Care Services are attached for your review. Mary Marx, Committee Chair, will be reporting on outcomes of the visit.

Commitment: Given there is a demand for state hospital type services, it will be necessary to have critical conversations with counties as to the level of financial commitment required in order to secure alternatives to state hospital beds. It is necessary to clarify the commitment required to be successful; the process will require a long term commitment. After staff and the Committee have completed the due diligence plan and gathered sufficient information, we will report this to participating counties. Counties are encouraged to initiate internal/local discussions related to the need and demand, followed by the level of commitment. In the next 45--60 days, the committee will commence reaching out to counties to initial these discussions.

Value-Added Benefits:

- Pure bed rate reduction
- Full control of the management of hospital operations
- Improved patient care

- Reduced length of stay – resulting in potential savings
- Create an alternative to DSH and competitive environment
- Ability to manage third party pay billing and collections
- Increase bed availability
- Enhancements of Accountability
 - Face Check
 - Performance Dashboards
 - Video Monitoring
 - Key Control System
 - Fleet Tracking Management System
 - Management by Walking Around
- Increased Efficiencies
 - Krons®
 - Remote Physician Assessments
 - Automated Policy Management
 - Learning Management System (LMS)
 - Online Credentialing Software
 - Electronic Medical Records
 - Electronic Applicant Tracking
 - eCommerce Foodservice Procurement
- Improvements in Quality of Care
 - Aftercare Team
 - Recovery Plan Coordinator
 - Employee Assistance Program

FISCAL IMPACT:

Unknown at this time

RECOMMENDATION:

Approval to proceed with Correct Care MOU for alternatives to state hospital beds.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors

REFERENCE MATERIAL(S) ATTACHED:

- Los Angeles County Project Report *(Draft)*
- Correct Care Services
 - MOU
 - History and Timeline
 - Overview and Similar Projects

- Organizational Chart
- Site Visit Attendee List

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
STATE HOSPITAL LPS ALTERNATIVE PROJECT PROPOSAL

The Department of Mental Health (DMH) proposes to build upon its successful collaboration with the California Mental Health Services Authority (CalMHSA), partially funded by surrounding counties, to develop a Mental Health Rehabilitation Center (MHRC) for placement of LPS conservatees that will serve as an alternative to the services currently provided by Metropolitan and Napa State Hospitals.

BACKGROUND

In Los Angeles County, the annual per-bed cost for Lanterman-Petris-Short (LPS) conservatees in facilities operated by the Department of State Hospitals (DSH) has risen substantially over the past decade, currently exceeding \$200,000 per bed annually. Patients served at Metropolitan and Napa State Hospitals exhibit high levels of aggression and violence, which has prevented placement with the County's current network of providers. Many of these patients have significant criminal court involvement, with a large percentage initially committed as incompetent to stand trial or under other penal code commitment orders. The combination of these factors has resulted in a lack of placement options and growing expenditures for placements at Metropolitan and Napa State Hospitals, which now exceed \$55,000,000 annually.

Due to these factors, in 2014 DMH entered into an agreement with CalMHSA to negotiate more favorable terms with DSH, promote responsiveness to County needs, and obtain more competitive rates. CalMHSA established a workgroup led by DMH to explore alternatives to state hospitals for the placement of LPS conservatees that would improve patient care, reduce costs and provide a greater level of local control.

In September 2014, CalMHSA issued a Request for Information and subsequently obtained responses from multiple qualified providers. Following provider interviews in March 2015, CalMHSA entered into a memorandum of understanding with a provider in July 2015. As part of the due diligence process, CalMHSA and DMH representatives toured three of the selected provider's facilities that serve a variety of civil and forensic populations. The facilities range in size from 216 beds to 341 beds, are accredited by The Joint Commission, and serve patients with clinical and behavioral profiles similar to the patients served by DSH hospitals. All three of the facilities were developed jointly by the provider and a public mental health authority, with two facilities developed using the "lease buyback" model of design-build-finance and the third model developed through renovation of a vacant, publically-owned facility.

PROJECT DESCRIPTION

In partnership with CalMHSA and the provider, DMH proposes to develop an MHRC for the placement of clients on LPS conservatorship that will serve as an alternative to the services currently provided by Metropolitan and Napa State Hospitals. The project will consist of two phases: 1) Site Identification and Project Development; and 2) Service Delivery.

Phase 1: Site Identification and Project Development: The project will be developed using either the model of design-build-finance or using renovation of a publically-owned facility with a goal of securing placement for patients on LPS conservatorships within 24 months of site identification. The contracted provider will work collaboratively with DMH, CalMHSA, the County of Los Angeles, and surrounding counties to identify a suitable property and secure funding to develop a facility with at least 200 beds. The preferred location for the project is within the County of Los Angeles, and DMH will coordinate with other County departments and/or agencies to determine the availability of existing properties that could be developed or renovated for this purpose. In the event that a suitable location in Los Angeles County is unavailable, the project may be located in Orange, Riverside or San Bernardino County. The contracted provider, in collaboration with DMH, CalMHSA, and participating counties, will serve as developer for the project and arrange for all necessary financing, permitting, architectural design, construction, and licensing requirements. In order to obtain necessary project financing, DMH and other participating counties will be required to enter into contracts to purchase a guaranteed number of beds from the newly developed facility.

Phase 2: Service Delivery: The contracted provider will provide services for patients on LPS conservatorships that meet or exceed the services currently provided by DSH-operated facilities. Services will be provided by a multi-disciplinary team that will include psychiatrists, psychologists, licensed mental health professionals, mental health workers, certified drug and alcohol counselors and family and peer support advocates.

Services will include:

- Comprehensive assessment, including physical health, mental health and substance abuse treatment needs
- Individual and group treatment
- Medication management
- Safe and secure environment
- Recovery planning
- Recovery-based self-help and support groups
- Discharge planning

The contracted provider will report outcomes consistent with performance measures for Hospital-Based Inpatient Psychiatric Services (HBIPS) and Joint Commission ORYX® (National Hospital Quality Measures) performance measure reporting requirements.

The on-going cost of services is anticipated to be 5%-10% less than the cost of services currently provided by DSH.

SUMMARY

DMH anticipates that the State Hospital LPS Alternative Project will improve the quality of patient care, increase local oversight of services provided to this population and reduce costs, all as compared to the services provided by DSH-operated facilities.

MM:08/2015